GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:600
ANSWERED ON:23.02.2001
MID-TERM INSURANCE COVERAGE TO EARTHQUAKE HIT AREAS
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Will the Minister of FINANCE be pleased to state:

(a) whether public sector insurance companies have decided to offer mid-term earthquake cover to big industries, small units and dwellings all over the country;

(b) if so, the details thereof;

(c) the policy being adopted by insurance companies in this regard;

(b) whether said policy would also be applied in the case of other natural calamities;

(c) if so, the details thereof and the time by which final decision in this regard is likely to be taken; and

(d) the other steps taken for early settlement of the claims of policy holders of earthquake hit areas?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALA SAHEB VIKHE PATIL)

a),(b) & (c): General Insurance Public Sector Association (GIPSA), an Association of the four Public Sector General Insurance Companies has decided to offer mid-term earthquake cover to all properties situated all over India. However, while granting such covers, the following conditions have also been stipulated:

(i) Payment of premium to be made by cash or demand draft in case of mid-term inclusion of earthquake cover and premium for same to be charged on short period scale.

(ii) Risk to be accepted only after inspection by in-house surveyors in case of simple risks, such as residential buildings. However, in case of industrial risks/multi-storied buildings, risk to be granted on receipt of satisfactory inspection report from external structural engineers.

(iii) Cover against earthquake to commence after 15 days of receipt of premium.

(d) In respect of mid-term cover against other natural calamities like flood, storm, tempest, cyclone etc, tariff guidelines are already available.

(e) Do not arise in view of the reply to the question (b),(c) & (d), above.

(f) For the expeditious settlement of the claims, the insurance companies have drawn an action plan consisting of relaxation of the requirement for documents, strict time Schedule for Surveyors and a well coordinated publicity programme for the benefit of the policy holders.